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GEN. VERNON WALTERS

Spent August in Portugal?

CIA Role Is Alleged In Portugal

By Jonathan C. Randal
Washington Post Foreign Service

PARIS, Oct. 8—The U. S. Central Intelligence Agency was instrumental in persuading executives of unnamed multinational companies in Lisbon to subsidize a conservative newspaper and right-wing political parties last summer, the satirical weekly *Le Canard Enchaîné* says in its current issue.

In an article by investigative reporter Claude Angeli, the French weekly stopped short of suggesting that the CIA actually financed the political parties or the newspaper, called *O Tempo*.

The CIA also tried to get the now ousted chief of state, Gen. Antonio de Spínola, to approve a new radio and television station to be financed by *Bulhosa*, a Portuguese company, two unnamed Lisbon radio stations and two unnamed Brazilian stations, the weekly added.

The inclusion of the Brazilian interests was to "allow the Americans to be present in the deal," the paper said, without making clear whether Spínola had agreed or if the new station was ever set up.

Gen. Vernon Walters, deputy director of the CIA, spent a week's vacation — apparently in August — in southern Portugal "as an innocent tourist" after visiting Mediterranean countries, the weekly said sarcastically.

[In Washington, the CIA refused to confirm or deny whether Walters had visited Portugal.]

The newspaper also said Secretary of State Henry Kissinger let the revolutionary Portuguese leadership know in May that the "United States was not opposed to independence for Guinea Bissau, but would not stand for the Portuguese giving up the Cape Verde Islands to the Guineans."

Kissinger's warning was based on fears that "one day" the Soviets would set up a naval air base on the strategically located islands off the coast of West Africa if they ceased to be Portuguese.

The newspaper credited U. S. ambassador Stuart N. Scott and the CIA with sizing up Spínola early on as a "bad bet." Spínola was judged unable to reach political compromises and over-optimistic about his real influence in the Army and the willingness of the public to back him.

By May, Washington had decided to step up contacts with the Portuguese general staff, but that effort apparently was not a success, the weekly suggested, noting that a purge of officer ranks was already under way.

The conflict between the Portuguese Communist and Socialist parties is being closely followed by the CIA, the weekly said. It quoted an unnamed American diplomat as saying "logically we should play the Socialist card but I don't know if my government will make up its mind to do so."

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